

ON PAGE 21

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WHITE HOUSE KNEW OF A SHIFT ON IRAN, C.I.A. OFFICIALS SAY

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WASHINGTON, March 19 — Senior Central Intelligence Agency officials say they repeatedly gave the White House intelligence reports in the fall of 1985 that indicated little prospect for improving United States relations with Iran, even as the Reagan Administration began a covert initiative to accomplish that purpose.

The C.I.A. officials said they also repeatedly advised the White House at that time that there was no imminent threat that the Soviet Union would gain significant influence in Iran.

Nonetheless, the Reagan White House proceeded with clandestine arms sales to Iran and even composed an intelligence finding in January 1986 that cited the possibility of growing Soviet influence in the Persian Gulf region as a major rationale for the Iran arms sale initiative.

Estimate Is Reversed

The senior officials agreed to rare on-the-record interviews on Wednesday to counter charges that Government intelligence reports had exaggerated accounts of internal instability in Iran and the purported Soviet threat to lend support to President Reagan's Iran initiative.

But they acknowledged that the intelligence assessments on Iran in the fall of 1985 represented a reversal of an estimate the previous spring that the political situation in Teheran was deteriorating and that the Soviet threat was serious.

The report by the Tower Commission on the Iran-contra affair, issued Feb. 26, said that Graham Fuller, then the national intelligence officer for the Middle East, and Howard Teicher, then director of political-military affairs at the National Security Council, worked together on a key intelligence assessment that laid the basis for the Reagan Administration's Iran initiative. Some members of the commission have privately said they suspect that the intelli-

gence reports were tailored specifically to support policy goals.

Mr. Fuller, 49 years old, who is retiring from the agency at the end of the year, prepared a "think piece" for William J. Casey, the Director of Central Intelligence, in May 1985 stressing that the Soviet Union was in a far better position to exert influence in Iran and stating that the regime of Ayatollah Ruhollah Khomeini was "faltering." In his memorandum, Mr. Fuller suggested that Western nations be allowed to sell arms to Iran so the West could gain influence in Teheran.

Those conclusions were also stated in the Government-wide intelligence assessment cited by the Tower Commission and overseen by Mr. Fuller, which was also prepared in May 1985 at the request of the National Security Council.

Richard J. Kerr, the Deputy Director for Intelligence at the C.I.A., said that assertions in that assessment about the Soviet threat to Iran were a matter of contention within the intelligence community and that he is now "fairly critical" of its conclusions.

'Situation Had Stabilized'

The two senior officials said that they and other experts concluded several months after the May 1985 assessment that the Iranian regime was not as unstable as the initial intelligence forecasts had suggested and that the Soviet Union had not attempted to exploit opportunities for gaining influence.

Mr. Fuller said, "Within a matter of four to five months, I came to a conclusion that the trends we had identified as active in May had not continued to develop in that direction."

He said he prepared a written analysis of his new views, but did not distribute it throughout the Government, as he did his "think piece." He said he told officials throughout the Government of the new assessment.

"The internal situation had stabilized and the Soviets were not following up as they could have," Mr. Fuller said.

Mr. Kerr asserted that the "trend" of intelligence reports in the summer and the fall was going against the May

assessment. "The intelligence was running in the other direction," he said. "It certainly was not pointing to openings in Iran with 'moderates.'"

The C.I.A. officials interviewed said that they did not know of the covert shipment of arms and that other analysts who worked on the intelligence reports also did not know of the shipments.

Assessment Loses Force

In light of the Reagan Administration's public disclosures since November on the evolution of the Iran-contra affair this turned out to be precisely the period in which President Reagan's closest national security advisers were beginning what shortly became the clandestine initiative to sell arms to Iran.

One knowledgeable official said that after the summer of 1985 the Administration became preoccupied with exchanging arms for American hostages and that the intelligence assessment about Iran and the Soviet Union became less relevant to the White House.

He said he did not know if White House officials conveyed to President Reagan the new reports, which were formally codified in an intelligence estimate in 1986. Despite the new intelligence estimate, the Administration continued its covert negotiations with Iran over hostages.

'Pertinent' Intelligence Is Aim

Criticizing the Tower commission's implication that Mr. Fuller and Mr. Teicher worked together to produce an intelligence estimate that supported the new Administration policy that was under consideration, Mr. Fuller denied that he had tailored his assessments to support policy.

"They are suggesting a coziness, an irregularity of relationship, that is far from the truth," he said.

Mr. Fuller asserted such close collaboration was needed so that the analysts would provide "pertinent" intelligence. Mr. Fuller now serves as the vice-chairman of the National Intelligence Council, which oversees the preparation of intelligence assessments. He said that he plans to retire from the Government in December and take a position with a policy study institute.

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Messages from North found by commission investigators in the NSC's computer system show that at one point North was negotiating with the CIA to persuade it to purchase \$4.5 million in "assets" he had accumulated in helping the contras during the congressional prohibition.

The messages suggest that CIA officials, including Casey, were aware of the secret system and that the CIA appeared interested in a deal since Congress was about to allow the CIA to resume management of the contra aid program.

\$4.5 million is assets

"We are rapidly approaching the point where the Project Democracy assets in CentAm need to be turned over to CIA," North wrote to Poindexter in July 1986.

"The total value of the assets (six aircraft, warehouses, supplies, maintenance facilities, ships, boats, leased houses, vehicles, ordnance, munitions, communications equipment and a 6,520 [foot] runway on property owned by a PRODEM [Project Democracy] proprietary) is over \$4.5 M.

"You should be aware that CIA has already approached PRODEM's chief pilot to ask him where they [CIA] can purchase more of the C-135K ... The chief pilot told them where they can get them commercially from the USAF as excess — the same way PRODEM bought them under proprietary arrangements."

Poindexter replied: "I did tell Gates that I thought the private effort should be phased out. Please talk to Casey about this. I agree with you."

The chief of the CIA Central American Task Force told the board that after Congress cut off contra aid in October 1984, "it was Ollie North who then moved into that void and was the focal point for the administration on Central American policy until fall 1985."

A CIA officer who worked

closely with North in directing air drops from Costa Rica last year told the panel that the contra supply network was "controlled by Lt. Col. North."

Abrams said he and Hill, the Shultz aide, discussed what to do with a \$10 million contribution for the contras from Brunei in 1986 and decided to have Brunei deposit it in a North account in Switzerland.

The day Hasenfus' plane was shot down over Nicaragua, other NSC staffers dealt with the matter because North had left for Frankfurt, West Germany, on an Iran-related mission, but they also revealed some knowledge of what was involved.

Robert Earl, North's immediate supervisor, sent the following note to Poindexter Oct. 5: "One of the Democracy Inc. aircraft apparently went down on a resupply mission to FDN forces in the north."

In the end, the Tower inquiry report concluded that while North worked largely in isolation because his superiors rarely, if ever, reviewed his work, it was a different story on his contra supply network. He constantly advised his superiors, McFarlane and Poindexter, of his plans and actions.

And while everybody else seemed to know what North was up to, the president was the only one kept in the dark, the report suggests.